

CHAPTER 532—S.F.No. 2900

An act relating to education; appropriating money for education and related purposes to the higher-education coordinating board, state board of technical colleges, higher education board, state board for community colleges, state university board, board of regents of the University of Minnesota, and the finance department, with certain conditions; modifying the award of grants for faculty exchange and temporary assignment programs; changing community college designations; prescribing changes to certain financial aid programs; reinstating rules pertaining to private business, trade, and correspondence schools and technical colleges personnel licensing; modifying POST board authority; adopting a post-secondary funding formula; providing for appointments; defining authority for bargaining with certain employees; designating certain higher education board employees as unclassified; clarifying transfer provisions for the merger of community colleges, state universities, and technical colleges; transferring bonding authority for the state universities to the higher education board; establishing the higher education board as the sole state agency for federal funding for vocational education; providing for appointments of additional student members on the higher education board; establishing the student board member selection process; authorizing the higher education board to supervise and control construction, improvement, and repair of its facilities; preserving distinct post-secondary missions; recognizing separate student associations; amending Minnesota Statutes 1992, sections 43A.06, subdivision 1; 43A.08, subdivision 1; 43A.18, by adding a subdivision; 135A.01; 135A.04; 136.31; 136.32; 136.33; 136.34; 136.35; 136.36; 136.37; 136.38; 136.41, by adding a subdivision; 136A.121, subdivision 17; 136A.125, subdivisions 2, 3, 4, and by adding a subdivision; 136A.15, subdivision 6; 136C.06; 136E.01, subdivisions 1 and 2; 136E.02, subdivision 1; and 179A.10, subdivision 1; Minnesota Statutes 1993 Supplement, sections 43A.18, subdivision 4; 125.138, subdivisions 1, 6, and 8; 136.41, subdivision 8; 136A.233, subdivisions 1 and 2; and 136E.03; Laws 1991, chapter 356, article 9, sections 8, subdivision 1; 9, 12, and 13; Laws 1993, chapter 224, article 12, section 39; Laws 1993, First Special Session chapter 2, article 5, section 2; proposing coding for new law in Minnesota Statutes, chapters 135A; 136; and 136E; repealing Minnesota Statutes 1992, sections 135A.02; 135A.03, subdivisions 1, 1a, 2, 3, 3a, 4, 5, and 6; 135A.06, subdivisions 2, 3, 4, 5, and 6; 136.31, subdivision 6; 136.40; 136.41, subdivisions 1, 2, 3, 4, 5, 6, and 7; 136.42; and 136C.36; Minnesota Statutes 1993 Supplement, sections 135A.03, subdivision 7; 135A.05; and 135A.061.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1**APPROPRIATION****Section 1. HIGHER EDUCATION APPROPRIATIONS.**

The dollar amounts in the columns under "APPROPRIATIONS" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 1993, First Special Session chapter 2, article 1, or other law to the specified agencies. The appropriations are from the general fund or other named fund and

are available for the fiscal years indicated for each purpose. The figure 1994 or 1995 means that the addition to or subtraction from the appropriations listed under the figure are for the fiscal year ending June 30, 1994, or June 30, 1995, respectively. If only one figure is shown in the text for a specified purpose, the addition or subtraction is for 1995 unless the context intends another fiscal year.

SUMMARY BY FUND

	1994	1995	TOTAL
General	\$(7,000,000)	\$ 18,300,000	\$ 11,300,000

SUMMARY BY AGENCY - ALL FUNDS

	1994	1995	TOTAL
Higher Education Coordinating Board	\$(7,000,000)	\$ 1,400,000	\$ (5,600,000)
State Board of Technical Colleges	-0-	1,250,000	1,250,000
Higher Education Board	-0-	1,255,000	1,255,000
State Board for Community Colleges	-0-	450,000	450,000
State University Board	-0-	1,800,000	1,800,000
Board of Regents of the University of Minnesota	-0-	9,145,000	9,145,000
Department of Finance	-0-	3,000,000	3,000,000
		APPROPRIATIONS Available for the Year Ending June 30	
		1994	1995

Sec. 2. HIGHER EDUCATION COORDINATING BOARD

Subdivision 1. Total Appropriation Changes	(7,000,000)	1,400,000*
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* (The appropriation of "1,400,000" for the year ending June 30, 1995, was vetoed by the governor.)

Subd. 2. Agency Administration

This appropriation includes money to develop a process to award grants to Upward Bound programs in Minnesota. The board shall provide the money to

the Minnesota Minority Education Partnership under contract.* (The preceding paragraph beginning "This" was vetoed by the governor.)

Subd. 3. State Grants (4,000,000)

The higher education coordinating board shall delay the implementation of the new private college cap,

For fiscal year 1995, a child care grant under Minnesota Statutes, section 136A.125, shall not cover more than 40 hours per week of child care costs.

Subd. 4. Interstate Tuition Reciprocity (3,000,000)

Subd. 5. State Work Study

This appropriation includes money for the state work study program.* (Subdivision 5 was vetoed by the governor.)

Sec. 3. STATE BOARD OF TECHNICAL COLLEGES

Total Appropriation Changes 1,250,000

This appropriation includes money for a pilot program at the Northwest Technical College Center for International Training and for automating the technical college libraries.* (Section 3 was vetoed by the governor.)

Sec. 4. HIGHER EDUCATION BOARD

Total Appropriation Changes 1,255,000

This appropriation is for developing a student records system, office space costs, staff training, and labor relations.* (Section 4 was vetoed by the governor.)

Sec. 5. STATE BOARD FOR COMMUNITY COLLEGES

Total Appropriation Changes 450,000*

* (The appropriation of "450,000" was vetoed by the governor.)

This appropriation is for the transition

of Fond du Lac from a center to full campus status.* (The preceding paragraph beginning "This" was vetoed by the governor.)

In making Fond du Lac a full campus, the legislature intends to enhance the programs, enrollment, and efficiency of the campus. As part of this action, the state board for community colleges shall report on its plans to accomplish these goals to the higher education finance divisions by January 15, 1995.

Sec. 6. STATE UNIVERSITY BOARD
Total Appropriation Changes

1,800,000

This appropriation is for academic programs, the urban teacher preparation program, interactive television, and library resources at Metro State University, and for improving safety on the state university campuses.* (Section 6 was vetoed by the governor.)

Sec. 7. BOARD OF REGENTS OF
THE UNIVERSITY OF MINNESOTA
Total Appropriation Changes

9,145,000*

* (The appropriation of "9,145,000" was vetoed by the governor.)

The legislature supports the direction that the University of Minnesota is taking to improve the academic experiences and learning environment of its students through its U2000 planning. This appropriation is to further the University's efforts in student services, educational equipment, library resources, and indigent patient dental care. The legislature directs the board of regents to use this appropriation consistent with the priority order of its request to the legislature.

The legislature intends that its support of U2000 will result in the improvement of undergraduate education on the Twin Cities campus. Specifically, the

legislature intends that the University focus on improving the actual classroom instruction and experience of undergraduates, particularly as the number of traditional undergraduate students in the state grows over the next several years. This focus includes changing the reward structure for faculty to encourage better undergraduate instruction. As part of its 1995 biennial budget request to support its U2000 efforts, the University shall report on its plans to accomplish changes in faculty efforts in teaching and advising that will improve undergraduate education.

The board of regents is requested to report to the higher education finance divisions of the house of representatives and the senate by January 15, 1995, on the policies and practices it has planned or implemented to comply with Title VII, Title IX, and the Equal Pay Act as they relate to coaches of men's and women's athletics.

Sec. 8. DEPARTMENT OF FINANCE
Total Appropriation Changes

3,000,000

This appropriation is for the higher education board and the commissioner of finance to jointly develop an accounting system to accommodate the specific needs of higher education, and to jointly plan for the expenditure of this appropriation. When requested, the commissioner shall provide the board with detailed information on the expenditure of this appropriation.* (Section 8 was vetoed by the governor.)

ARTICLE 2

ASSOCIATED PROVISIONS

Section 1. Minnesota Statutes 1993 Supplement, section 125.138, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT.** A program of faculty collaboration shall be established to allow Minnesota school districts and post-secondary institutions to arrange temporary placements in each other's institutions. These arrangements must be made on a voluntary cooperative basis between a school district and post-secondary institution, or between post-secondary institutions. Exchanges between post-secondary institutions may occur among campuses in the same system or in different systems.

Sec. 2. Minnesota Statutes 1993 Supplement, section 125.138, subdivision 6, is amended to read:

Subd. 6. **GRANTS.** The department of education shall award grants to ~~public~~ post-secondary teacher preparation programs and school districts that collaborate on staff exchanges or temporary placements. One institution must be identified as the fiscal agent for the grant.

Sec. 3. Minnesota Statutes 1993 Supplement, section 125.138, subdivision 8, is amended to read:

Subd. 8. **APPLICATION PROCESS.** The department of education shall develop and publicize the process by which school districts, ~~the University of Minnesota and its campuses, and the state universities and post-secondary institutions~~ which have teacher and administrator preparation programs may apply for grants.

Sec. 4. [136.6011] **FOND DU LAC CAMPUS.**

The Fond du Lac campus of the Minnesota community college system has a unique mission among the community colleges to serve both the general education needs for lower division work in the Carlton county - south St. Louis county region, as well as serving the education needs of Native Americans throughout the state and especially in northern Minnesota. Accordingly, while the college is governed by the state board for community colleges and administered through Arrowhead community colleges, its governance is accomplished in conjunction with tribal authorities, particularly in the areas of academic programming and student services. The state board, the Arrowhead community college administration, and the Fond du Lac tribal college board shall determine the mechanisms necessary to accomplish the sharing of authority while ensuring accountability for college actions.

Sec. 5. Minnesota Statutes 1992, section 136A.121, subdivision 17, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 17. **INDEPENDENT STUDENT INFORMATION.** The board shall inform students, in writing, as part of the application process, its financial aid publications about the definition of independent student status and appeals to the financial aid administrator relating to the declaration of the status.

Sec. 6. Minnesota Statutes 1992, section 136A.125, subdivision 2, is amended to read:

Subd. 2. **ELIGIBLE STUDENTS.** An applicant is eligible for a child care grant if the applicant:

- (1) is a resident of the state of Minnesota;
- (2) has a child 12 years of age or younger, or 14 years of age or younger who is handicapped as defined in section 120.03, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;
- (3) is within the sliding fee scale income guidelines set under section 256H.10, subdivision 2; income eligible as determined by a standardized financial aid needs analysis in accordance with the board's policies and rules, but is not a recipient of aid to families with dependent children;
- (4) has not earned a baccalaureate degree and has been enrolled full time less than eight semesters, 12 quarters, or the equivalent;
- (5) is pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;
- (6) is enrolled at least half time in an eligible institution; and
- (7) is in good academic standing and making satisfactory academic progress.

Sec. 7. Minnesota Statutes 1992, section 136A.125, subdivision 3, is amended to read:

Subd. 3. **ELIGIBLE INSTITUTION.** A Minnesota public post-secondary institution ~~or~~, a Minnesota private, baccalaureate degree granting college or university located in Minnesota, or a Minnesota nonprofit two-year vocational technical school granting associate degrees is eligible to receive child care funds from the board and disburse them to eligible students.

Sec. 8. Minnesota Statutes 1992, section 136A.125, subdivision 4, is amended to read:

Subd. 4. **AMOUNT AND LENGTH OF GRANTS.** The amount of a child care grant must be based on:

- (1) the financial need income of the applicant and the applicant's spouse, if any;
- (2) the number of in the applicant's children family, as defined by the board; and

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(3) the cost of the child care,

as determined by the institution in accordance with board policies and rules. The amount of the grant must cover the cost of child care for all eligible children for the full number of hours of education per week and may cover up to 20 hours per week of employment for which child care is needed. The grant must be awarded for one academic year. The minimum financial stipend is \$100 the number of eligible children in the applicant's family.

The maximum award to the applicant shall be \$1,500 for each eligible child per academic year. The board shall prepare a chart to show the amount of a grant that will be awarded per child based on the factors in this subdivision. The chart shall include a range of income and family size.

Sec. 9. Minnesota Statutes 1992, section 136A.125, is amended by adding a subdivision to read:

Subd. 4b. ADDITIONAL GRANTS. An additional child care grant may be awarded to an applicant attending classes outside of the regular academic year who meets the requirements in subdivisions 2 and 4.

Sec. 10. Minnesota Statutes 1992, section 136A.15, subdivision 6, is amended to read:

Subd. 6. "Eligible institution" means ~~any public a post-secondary educational institution and any private educational institution, in any state which is approved by the United States commissioner of education in accordance with requirements set forth in the Higher Education Act of 1965, as amended that~~ either (1) is operated or regulated by this state, or (2) is operated publicly or privately in another state, is approved by the United States Secretary of Education, and, as determined by the board, maintains academic standards substantially equal to those of comparable institutions operated in this state. It also includes any institution chartered in a province.

Sec. 11. Minnesota Statutes 1993 Supplement, section 136A.233, subdivision 1, is amended to read:

Subdivision 1. **ALLOCATION TO INSTITUTIONS.** The higher education coordinating board shall allocate work-study money to eligible post-secondary institutions according to the resident full-time equivalent enrollment of all eligible post-secondary institutions that apply to participate in the program, and the amount of the allocation that an institution spent during the previous academic year. Each institution wishing to participate in the work-study program must submit, in accordance with policies and procedures established by the board, an estimate of the amount of funds needed by the institution. Any funds allocated to an institution that exceed the actual need of the institution ~~may~~ shall be reallocated by the board to other institutions. An institution may carry forward or backward the same percentage of its initial allocation that is authorized under federal work-study provisions.

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Sec. 12. Minnesota Statutes 1993 Supplement, section 136A.233, subdivision 2, is amended to read:

Subd. 2. **DEFINITIONS.** For purposes of sections 136A.231 to 136A.233, the words defined in this subdivision have the meanings ascribed to them.

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll at least half time ~~as defined in section 136A.101, subdivision 7b,~~ in a degree, diploma, or certificate program in a Minnesota post-secondary institution.

(b) "Minnesota resident" means a student who meets the conditions in section 136A.101, subdivision 8.

(c) "Financial need" means the need for financial assistance in order to attend a post-secondary institution as determined by a post-secondary institution according to guidelines established by the higher education coordinating board.

(d) "Eligible employer" means any eligible post-secondary institution and any nonprofit, nonsectarian agency or state institution located in the state of Minnesota, including state hospitals, and also includes a handicapped person or a person over 65 who employs a student to provide personal services in or about the residence of the handicapped person or the person over 65.

(e) "Eligible post-secondary institution" means any post-secondary institution eligible for participation in the Minnesota state grant program as specified in section 136A.101, subdivision 4.

(f) "Independent student" has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

(g) "Half-time" for undergraduates has the meaning given in section 136A.101, subdivision 7b, and for graduate students is defined by the institution.

Sec. 13. Laws 1993, First Special Session chapter 2, article 5, section 2, is amended to read:

Sec. 2. **TELECOMMUNICATIONS COUNCIL.** ~~An instructional~~ A 19-member telecommunications council shall be established and composed of: two representatives selected by each public higher education system, a representative of the higher education board, a regional telecommunications coordinator, one member of the senate appointed by the subcommittee on committees of the committee on rules and administration, one member of the house of representatives appointed by the speaker, one private college representative selected by the Minnesota private college council, a representative of the information policy office of the department of administration, four members appointed by the commissioner of education ~~or designee~~ to represent K-12 education of whom at least

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two shall be representatives of school districts or K-12 telecommunications networks, and one higher education coordinating board representative. The council shall:

- (1) develop a statewide vision and plans for the use of distance learning technologies and provide leadership in implementing the use of such technologies;
- (2) develop educational policy relating to telecommunications;
- (3) determine priorities for use;
- (4) oversee coordination with campuses, K-12 education, and regional educational telecommunications;
- (5) require the use of the statewide telecommunications access and routing system Minnesota Network where operationally, technically, and economically feasible in order to maximize the state's telecommunication resources; and
- (6) determine priorities for grant funding proposals.

The council shall consult with representatives of the telecommunication industry in implementing this subdivision.

Sec. 14. Laws 1993, chapter 224, article 12, section 39, is amended to read:

Sec. 39. REPEALER.

(a) Minnesota Rules, parts 3500.0500; 3500.0600, subparts 1 and 2; 3500.0605; 3500.0800; 3500.1090; 3500.1800; 3500.2950; 3500.3100, subparts 1 to 3; 3500.3500; 3500.3600; 3500.4400; 3510.2200; 3510.2300; 3510.2400; 3510.2500; 3510.2600; 3510.6200; 3520.0200; 3520.0300; 3520.0600; 3520.1000; 3520.1200; 3520.1300; 3520.1800; 3520.2700; 3520.3802; 3520.3900; 3520.4500; 3520.4620; 3520.4630; 3520.4640; 3520.4680; 3520.4750; 3520.4761; 3520.4811; 3520.4831; 3520.4910; 3520.5330; 3520.5340; 3520.5370; 3520.5461; 3525.2850; 3530.0300; 3530.0600; 3530.0700; 3530.0800; 3530.1100; 3530.1300; 3530.1400; 3530.1600; 3530.1700; 3530.1800; 3530.1900; 3530.2000; 3530.2100; 3530.2800; 3530.2900; 3530.3100, subparts 2 to 4; 3530.3200, subparts 1 to 5; 3530.3400, subparts 1, 2, and 4 to 7; 3530.3500; 3530.3600; 3530.3900; 3530.4000; 3530.4100; 3530.5500; 3530.5700; 3530.6100; 3535.0800; 3535.1000; 3535.1400; 3535.1600; 3535.1800; 3535.1900; 3535.2100; 3535.2200; 3535.2600; 3535.2900; 3535.3100; 3535.3500; 3535.9930; 3535.9940; 3535.9950; 3540.0600; 3540.0700; 3540.0800; 3540.0900; 3540.1000; 3540.1100; 3540.1200; 3540.1300; 3540.1700; 3540.1800; 3540.1900; 3540.2000; 3540.2100; 3540.2200; 3540.2300; 3540.2400; 3540.2800; 3540.2900; 3540.3000; 3540.3100; 3540.3200; 3540.3300; 3540.3400; 3545.1000; 3545.1100; 3545.1200; 3545.2300; 3545.2700; 3545.3000; 3545.3002; 3545.3004; 3545.3005; 3545.3008; 3545.3014; 3545.3022; 3545.3024; 8700.4200; 8700.6410; 8700.6800; 8700.7100; 8700.9000; 8700.9010; 8700.9020; and 8700.9030, are repealed.

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(b) Minnesota Rules, parts 3520.1600; 3520.2400; 3520.2500; 3520.2600; 3520.2800; 3520.2900; 3520.3000; 3520.3100; 3520.3200; 3520.3400; 3520.3500; 3520.3680; 3520.3701; 3520.3801; 3520.4001; 3520.4100; 3520.4201; 3520.4301; 3520.4400; 3520.4510; 3520.4531; 3520.4540; 3520.4550; 3520.4560; 3520.4570; 3520.4600; 3520.4610; 3520.4650; 3520.4670; 3520.4701; 3520.4711; 3520.4720; 3520.4731; 3520.4741; 3520.4801; 3520.4840; 3520.4850; 3520.4900; 3520.4930; 3520.4980; 3520.5000; 3520.5010; 3520.5111; 3520.5120; 3520.5141; 3520.5151; 3520.5160; 3520.5171; 3520.5180; 3520.5190; 3520.5200; 3520.5220; 3520.5230; 3520.5300; 3520.5310; 3520.5361; 3520.5380; 3520.5401; 3520.5450; 3520.5471; 3520.5481; 3520.5490; 3520.5500; 3520.5510; 3520.5520; 3520.5531; 3520.5551; 3520.5560; 3520.5570; 3520.5580; 3520.5600; 3520.5611; 3520.5700; 3520.5710; 3520.5900; 3520.5910; and 3520.5920; 3530.6500; 3530.6600; 3530.6700; 3530.6800; 3530.6900; 3530.7000; 3530.7100; 3530.7200; 3530.7300; 3530.7400; 3530.7500; 3530.7600; 3530.7700; and 3530.7800, are repealed.

(c) Minnesota Rules, parts 3500.1400; 3500.3700; 3510.0100; 3510.0200; 3510.0300; 3510.0400; 3510.0500; 3510.0600; 3510.0800; 3510.1100; 3510.1200; 3510.1300; 3510.1400; 3510.1500; 3510.1600; 3510.2800; 3510.2900; 3510.3000; 3510.3200; 3510.3400; 3510.3500; 3510.3600; 3510.3700; 3510.3800; 3510.7200; 3510.7300; 3510.7400; 3510.7500; 3510.7600; 3510.7700; 3510.7900; 3510.8000; 3510.8100; 3510.8200; 3510.8300; 3510.8400; 3510.8500; 3510.8600; 3510.8700; 3510.9000; 3510.9100; ~~chapters 3515, 3515.0100, subparts 2, 5, 6, and 26; 3515.0500, subpart 4, option two, items D and E; 3515.0700, subpart 4, options 4, 6, 7, and 8; 3515.1100; 3515.1500, subparts 2 and 3, item C; 3515.2100, subparts 2 and 3; 3515.3300; 3515.3400; 3515.3500; 3515.3600; 3515.3700; 3515.3800; 3515.3900; 3515.4000; 3515.4500; 3515.4600; 3515.4621; 3515.4700; 3515.4800; 3515.5000, subpart 2; 3515.5050; 3515.5500, subparts 3, 4, 5, 6, 7, 9, 10, and 11; 3515.5600; 3515.6005, subparts 2 and 3; 3515.6100; 3515.8300; 3515.8900; 3515.9910; 3515.9911; 3515.9912; 3515.9913; 3515.9920; 3515.9942; 3517.0100; 3517.0120; 3517.3150; 3517.3170; 3517.3420; 3517.3450; 3517.3500; 3517.3650; 3517.4000; 3517.4100; 3517.4200; 3517.8500; 3517.8600;~~ and chapter 3560, are repealed.

(d) Minnesota Rules, parts 3500.0710; 3500.1060; 3500.1075; 3500.1100; 3500.1150; 3500.1200; 3500.1500; 3500.1600; 3500.1900; 3500.2000; 3500.2020; 3500.2100; 3500.2900; 3500.5010; 3500.5020; 3500.5030; 3500.5040; 3500.5050; 3500.5060; 3500.5070; 3505.2700; 3505.2800; 3505.2900; 3505.3000; 3505.3100; 3505.3200; 3505.3300; 3505.3400; 3505.3500; 3505.3600; 3505.3700; 3505.3800; 3505.3900; 3505.4000; 3505.4100; 3505.4200; 3505.4400; 3505.4500; 3505.4600; 3505.4700; 3505.5100; 8700.2900; 8700.3000; 8700.3110; 8700.3120; 8700.3200; 8700.3300; 8700.3400; 8700.3500; 8700.3510; 8700.3600; 8700.3700; 8700.3810; 8700.3900; 8700.4000; 8700.4100; 8700.4300; 8700.4400; 8700.4500; 8700.4600; 8700.4710; 8700.4800; 8700.4901; 8700.4902; 8700.5100; 8700.5200; 8700.5300; 8700.5310; 8700.5311; 8700.5500;

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8700.5501; 8700.5502; 8700.5503; 8700.5504; 8700.5505; 8700.5506; 8700.5507; 8700.5508; 8700.5509; 8700.5510; 8700.5511; 8700.5512; 8700.5800; 8700.6310; 8700.6900; 8700.7010; 8700.7700; 8700.7710; 8700.8000; 8700.8010; 8700.8020; 8700.8030; 8700.8040; 8700.8050; 8700.8060; 8700.8070; 8700.8080; 8700.8090; 8700.8110; 8700.8120; 8700.8130; 8700.8140; 8700.8150; 8700.8160; 8700.8170; 8700.8180; 8700.8190; 8750.0200; 8750.0220; 8750.0240; 8750.0260; 8750.0300; 8750.0320; 8750.0330; 8750.0350; 8750.0370; 8750.0390; 8750.0410; 8750.0430; 8750.0460; 8750.0500; 8750.0520; 8750.0600; 8750.0620; 8750.0700; 8750.0720; 8750.0740; 8750.0760; 8750.0780; 8750.0800; 8750.0820; 8750.0840; 8750.0860; 8750.0880; 8750.0890; 8750.0900; 8750.0920; 8750.1000; 8750.1100; 8750.1120; 8750.1200; 8750.1220; 8750.1240; 8750.1260; 8750.1280; 8750.1300; 8750.1320; 8750.1340; 8750.1360; 8750.1380; 8750.1400; 8750.1420; 8750.1440; 8750.1500; 8750.1520; 8750.1540; 8750.1560; 8750.1580; 8750.1600; 8750.1700; 8750.1800; 8750.1820; 8750.1840; 8750.1860; 8750.1880; 8750.1900; 8750.1920; 8750.1930; 8750.1940; 8750.1960; 8750.1980; 8750.2000; 8750.2020; 8750.2040; 8750.2060; 8750.2080; 8750.2100; 8750.2120; 8750.2140; 8750.4000; 8750.4100; 8750.4200; 8750.9000; 8750.9100; 8750.9200; 8750.9300; 8750.9400; 8750.9500; 8750.9600; and 8750.9700, are repealed.

Sec. 15. PEACE OFFICERS STANDARDS AND TRAINING BOARD.

The association of police chiefs is requested to convene a committee to discuss and make recommendations to the legislature on current programs of professional peace officer education. The committee shall consist of three POST board members or their designees, one member appointed by the Minnesota chiefs of police association, one member appointed by the Minnesota sheriffs association, one member appointed by the Minnesota police and peace officers association, three representatives of the higher education systems, and three representatives of post-secondary campuses offering professional peace officer education to be appointed by the appropriate higher education governing boards for technical colleges, community colleges, and state universities. The committee shall make recommendations regarding programmatic and funding issues related to professional peace officer education. The committee also shall develop a plan for a cooperative process whereby the higher education systems and campuses and the POST board consult on any proposed changes in policy, rule, or statute which may significantly affect professional peace officer education. The committee shall report its findings and recommendations to the higher education and judiciary finance divisions by January 15, 1995. Prior to June 30, 1995, the board of peace officer standards and training may not take any action to change or modify professional peace officer education that is offered by a technical college, community college, or state university unless it is agreed to by both parties.

Nothing in this section shall prohibit the POST board from taking action against a certified school for failure to comply with an existing board rule.

New language is indicated by underline, deletions by ~~strikeout~~.

POST board certified schools shall not provide a nondegree professional peace officer education program for any state agency or local law enforcement agency after December 31, 1994, without affirmative legislative approval.

Sec. 16. RECOMMENDATIONS.

By January 1, 1995, the higher education coordinating board shall provide recommendations to the higher education finance divisions of the legislature on the board's future functions, roles, and responsibilities following the July 1, 1995, merger of the community colleges, technical colleges, and state universities.

Sec. 17. TRANSITION.

The transition from center to full campus status for the Fond du Lac Community College Center at Cloquet shall occur no sooner than July 1, 1994. The transition from center to full campus status for Duluth and Cambridge centers shall occur no sooner than July 1, 1995. Full campus status is contingent upon approval of the higher education board. The higher education board shall make recommendations on funding levels for Cambridge, Cloquet, and Duluth.

Sec. 18. RESERVE ACCOUNTS.

The technical college, community college, state university, and higher education boards shall develop policies for fund balances and the creation and use of reserve accounts. The commissioner of finance shall review the policies. The technical college, community college, state university, and higher education boards shall submit the policies to the higher education finance divisions of the legislature by January 1, 1995. Beginning January 1, 1995, the technical college, community college, state university, and higher education boards shall report annually to the commissioner of finance the amounts, intended and actual use, and remaining balance in their respective fund balances and reserve accounts.

Sec. 19. REPEALER.

(a) Minnesota Statutes 1992, sections 135A.06, subdivisions 2, 3, 4, 5, and 6; and Minnesota Statutes 1993 Supplement, section 135A.061, are repealed.

(b) Minnesota Statutes 1992, section 136C.36, is repealed.

Sec. 20. EFFECTIVE DATE.

Section 11 is effective the day following final enactment.

Section 19, paragraph (b), is effective August 1, 1994.

New language is indicated by underline, deletions by ~~strikeout~~.

ARTICLE 3

POST-SECONDARY FUNDING

Section 1. Minnesota Statutes 1992, section 135A.01, is amended to read:

135A.01 FUNDING POLICY.

It is the policy of the legislature ~~that direct state appropriations, exclusive of tuition, to provide stable funding, including recognition of the effects of inflation, for the instructional services at public post-secondary institutions reflect a portion of the estimated cost of providing the instructional and that the state and students share the cost of those services. The legislature intends to provide at least 67 percent of the instructional services costs for each post-secondary system. It is also the policy of the legislature that the budgetary process serves to support high quality public post-secondary education.~~

Sec. 2. [135A.031] APPROPRIATIONS FOR INSTRUCTIONAL SERVICES.

Subdivision 1. DETERMINATION OF APPROPRIATION. The direct appropriation to each board for instructional services shall equal 67 percent of the estimated total cost of instruction for the University of Minnesota, the state universities, and the community colleges, and, for technical colleges, at least 67 percent of the estimated total cost of instruction.

Subd. 2. APPROPRIATIONS FOR CERTAIN ENROLLMENTS. The state share of the estimated expenditures for instruction shall vary for some categories of students, as designated in this subdivision.

(a) The state must provide at least 67 percent of the estimated expenditures for:

(1) students who resided in the state for at least one calendar year prior to applying for admission or dependent students whose parent or legal guardian resides in Minnesota at the time the student applies;

(2) Minnesota residents who can demonstrate that they were temporarily absent from the state without establishing residency elsewhere;

(3) residents of other states or provinces who are attending a Minnesota institution under a tuition reciprocity agreement; and

(4) students who have been in Minnesota as migrant farmworkers, as defined in the Code of Federal Regulations, title 20, section 633.104, over a period of at least two years immediately before admission or readmission to a Minnesota public post-secondary institution, or students who are dependents of such migrant farmworkers.

(b) The state must provide 32 percent of the estimated expenditures for:

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(1) students who are concurrently enrolled in a public secondary school and for whom the institution is receiving any compensation under the post-secondary enrollment options act; and

(2) students enrolled under the student exchange program of the Midwest Compact.

(c) The state may not provide any of the estimated expenditures for undergraduate students who do not meet the residency criteria under paragraph (a).

Subd. 3. DETERMINATION OF INSTRUCTIONAL SERVICES BASE. The instructional services base for each public post-secondary system is the sum of: (1) the state share; and (2) the legislatively estimated tuition for the second year of the most recent biennium; and (3) adjustments for inflation, enrollment changes as calculated in subdivision 4, and performance as calculated in subdivision 5.

Subd. 4. ADJUSTMENT FOR ENROLLMENTS. (a) Each public post-secondary system's instructional services base shall be adjusted for estimated changes in enrollments. For each two percent change in estimated full-year equivalent enrollment, an adjustment shall be made to 65 percent of the instructional services base. The remaining 35 percent of the instructional services base is not subject to the adjustment in this subdivision.

(b) For all purposes where student enrollment is used for budgeting purposes, student enrollment shall be measured in full-year equivalents and shall include only enrollments in courses that award credit or otherwise satisfy any of the requirements of an academic or vocational program.

(c) The enrollment adjustment shall be made for each year of the subsequent biennium. The base enrollment year is the 1995 fiscal year enrollment. The base enrollment shall be updated for each two percent change in estimated full year equivalent enrollment. If the actual enrollment differs from the estimated enrollment, an adjustment shall be made in the next biennium.

Subd. 5. ADJUSTMENT FOR PERFORMANCE. Each public post-secondary system's instructional services base shall be adjusted, up to one percent, if the system meets the performance standards established by the system's governing board as part of the biennial budget document.

Subd. 6. ADJUSTMENT FOR CHANGE ITEMS. The instructional services base may be adjusted for change items as determined by the governor and the legislature after adjustments for inflation, enrollments, and performance.

Subd. 7. REPORTS. Instructional expenditure and enrollment data for each instructional category shall be submitted in the biennial budget document.

Sec. 3. [135A.032] APPROPRIATIONS FOR NONINSTRUCTIONAL SERVICES.

New language is indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. DETERMINATION OF NONINSTRUCTIONAL APPROPRIATIONS BASE. The noninstructional services base for each public post-secondary system is the state share for the second year of the most recent biennium plus adjustments for inflation and for performance as specified in subdivision 2. The cost of technical college extension programs shall be included in noninstructional services.

Subd. 2. ADJUSTMENT FOR PERFORMANCE. The noninstructional services base shall be increased, up to one percent, if the system meets the performance standards established by the system's governing board as part of the biennial budget document.

Subd. 3. ADJUSTMENT FOR CHANGE ITEMS. The noninstructional services base may be adjusted for change items as determined by the governor and the legislature after noninstructional base adjustments for inflation and performance.

Sec. 4. [135A.033] PERFORMANCE FUNDING.

The governing boards of the University of Minnesota, the state universities, the community colleges, and the technical colleges, in conjunction with their respective campuses, shall each specify performance categories and indicators to be used for policy and appropriations decisions, as well as allocations for rewarding campuses that achieve performance levels and assisting campuses that are unable to achieve these levels. Because the mission of each system and type of campus varies, categories and indicators shall vary accordingly.

Sec. 5. [135A.034] BUDGET PRIORITIES.

The governing boards of the University of Minnesota, the state universities, the community colleges, and the technical colleges shall each develop, for legislative and executive branch acceptance, its highest budget priorities in accordance with statewide objectives for higher education. It is the intent of the legislature to appropriate at least 67 percent of the total cost of instruction after adjusting for inflation and enrollment changes. However, in the event of a budget shortfall, or if funding of inflation is not possible, available funding shall first be applied to the agreed upon budget priorities.

Sec. 6. Minnesota Statutes 1992, section 135A.04, is amended to read:

135A.04 VARIABLE TUITION.

The board of regents of the University of Minnesota; ~~state university board, state board for community colleges, and state board for vocational education~~ and the higher education board shall each establish tuition. Tuition may vary by program, level of instruction, cost of instruction, or other classifications determined by each board. Tuition may be set at any percentage of instructional cost established by the respective boards.

Sec. 7. PHASE-IN OF FORMULA.

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Each higher education system shall calculate its respective base for the 1996-1997 biennium for submission to the governor and legislature using the method in this article. Each system that experienced enrollment increases since 1993 shall adjust its instructional services base by the same percentage as the enrollment increased.

Sec. 8. TASK FORCE.

The chief financial officers, or their designees, of the University of Minnesota, state universities, technical colleges, community colleges, higher education board, and the commissioner of finance shall form a task force. The task force shall define terms, ensure uniform application of the formula, and other functions determined necessary by the task force. The higher education coordinating board shall convene the initial meeting. The task force expires June 30, 1997.

Sec. 9. REPEALER.

Minnesota Statutes 1992, sections 135A.02, and 135A.03, subdivisions 1, 1a, 2, 3, 3a, 4, 5, and 6; Minnesota Statutes 1993 Supplement, sections 135A.03, subdivision 7; and 135A.05, are repealed.

Sec. 10. EFFECTIVE DATE.

Sections 1 to 3, 6, and 9 are effective July 1, 1995.

ARTICLE 4

EMPLOYER DESIGNATION AND BARGAINING

Section 1. Minnesota Statutes 1992, section 43A.06, subdivision 1, is amended to read:

Subdivision 1. **GENERAL.** (a) The commissioner, through the labor relations bureau, shall perform the duties assigned to the commissioner by sections 3.855, 179A.01 to 179A.25 and this section.

(b) The deputy commissioner for the labor relations bureau shall be the state labor negotiator for purposes of negotiating and administering agreements with exclusive representatives of employees and shall perform any other duties delegated by the commissioner subject to the limitations in paragraph (c).

(c) In consultation with the commissioner of employee relations and except as specified in this paragraph, the higher education board may exercise the powers under this section. The power and authority to engage in collective bargaining or to enter into interest arbitration remains with the commissioner of employee relations, who shall exercise those powers in consultation with the higher education board.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 2. Minnesota Statutes 1992, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. **UNCLASSIFIED POSITIONS.** Unclassified positions are held by employees who are:

- (1) chosen by election or appointed to fill an elective office;
- (2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;
- (3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a and in the office of strategic and long-range planning;
- (4) the confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;
- (5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;
- (6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the office of the adjutant general;
- (7) employees of the Washington, D.C., office of the state of Minnesota;
- (8) employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;
- (9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal economic opportunity act work study program in the school and resource center for the arts, state universities and community colleges, and the higher education board, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;
- (10) officers and enlisted persons in the national guard;
- (11) attorneys, legal assistants, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;
- (12) judges and all employees of the judicial branch, referees, receivers,

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jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;

(13) members of the state patrol; provided that selection and appointment of state patrol troopers must be made in accordance with applicable laws governing the classified service;

(14) chaplains employed by the state;

(15) examination monitors and intermittent training instructors employed by the departments of employee relations and commerce and by professional examining boards;

(16) student workers;

(17) executive directors or executive secretaries appointed by and reporting to any policy-making board or commission established by statute;

(18) employees unclassified pursuant to other statutory authority;

(19) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation; and

(20) the administrators and the deputy administrators at the state academies for the deaf and the blind.

Sec. 3. Minnesota Statutes 1993 Supplement, section 43A.18, subdivision 4, is amended to read:

Subd. 4. **PLANS NOT ESTABLISHED BUT APPROVED BY COMMISSIONER.** Notwithstanding any other law to the contrary, total compensation for employees listed in this subdivision must be set by appointing authorities within the limits of compensation plans that have been approved by the commissioner before becoming effective. Compensation plans established under paragraphs (b); and (c); ~~(d)~~; and (e) must be approved by the legislature and the legislative commission on employee relations under subdivision 2 before becoming effective.

(a) Total compensation for employees who are not covered by a collective bargaining agreement in the offices of the governor, lieutenant governor, attorney general, secretary of state, state auditor, and state treasurer must be determined by the governor, lieutenant governor, attorney general, secretary of state, state auditor, and state treasurer, respectively.

~~(b) Total compensation for unclassified positions under section 43A.08, subdivision 1, clause (9), in the state universities and the community colleges not covered by a collective bargaining agreement must be determined by the state university board and the state board for community colleges, respectively.~~

~~(e)~~ (b) Total compensation for classified administrative law judges in the

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office of administrative hearings must be determined by the chief administrative law judge.

~~(d) (c) Total compensation for unclassified positions not covered by a collective bargaining agreement in the higher education coordinating board and in the state board of technical colleges must be determined by the higher education coordinating board and the state board of technical colleges, respectively.~~

~~(e) Total compensation for unclassified positions not covered by a collective bargaining agreement in the higher education board must be determined by the higher education board.~~

Sec. 4. Minnesota Statutes 1992, section 43A.18, is amended by adding a subdivision to read:

Subd. 3a. HIGHER EDUCATION BOARD PLAN. Total compensation for unclassified managerial positions under section 43A.08, subdivision 1, clause (9), in the higher education board not covered by a collective bargaining agreement must be determined by the higher education board. Before submitting a compensation plan to the legislature and the legislative commission on employee relations, the higher education board must submit the plan to the commissioner of employee relations for review and comment. The commissioner must complete the review within 14 days of its receipt. Compensation plans established under this subdivision must be approved by the legislature and the legislative commission on employee relations under section 3.855, before becoming effective.

Sec. 5. [136E.31] ASSIGNMENT TO BARGAINING UNITS.

Actions by the higher education board to merge or redesignate institutions or to promote collaborative efforts between institutions must not unilaterally change faculty assignments to bargaining units provided in section 179A.10, subdivision 2.

Sec. 6. Minnesota Statutes 1992, section 179A.10, subdivision 1, is amended to read:

Subdivision 1. **EXCLUSIONS.** The commissioner of employee relations shall meet and negotiate with the exclusive representative of each of the units specified in this section, except as provided in section 43A.06, subdivision 1, paragraph (c). The units provided in this section are the only appropriate units for executive branch state employees. The following employees shall be excluded from any appropriate unit:

(1) the positions and classes of positions in the classified and unclassified services defined as managerial by the commissioner of employee relations in accordance with section 43A.18, subdivision 3, and so designated in the official state compensation schedules;

(2) unclassified positions in the state university system and the community college system defined as managerial by their respective boards;

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(3) positions of physician employees compensated under section 43A.17, subdivision 4;

(4) positions of all unclassified employees appointed by a constitutional officer;

(5) positions in the bureau;

(6) positions of employees whose classification is pilot or chief pilot;

(7) administrative law judge and compensation judge positions in the office of administrative hearings; and

(8) positions of all confidential employees.

The governor may upon the unanimous written request of exclusive representatives of units and the commissioner direct that negotiations be conducted for one or more units in a common proceeding or that supplemental negotiations be conducted for portions of a unit or units defined on the basis of appointing authority or geography.

Sec. 7. REIMBURSEMENT.

In fiscal year 1995, the higher education board shall reimburse the commissioner of employee relations for staffing and other costs of services associated with negotiating the 1995-1997 collective bargaining agreements for the state university, community college, and technical college instructional units, and the state university administrative unit. The amounts reimbursed are appropriated to the commissioner of employee relations to pay for these costs. Before July 1, 1994, the higher education board and the commissioner of employee relations shall confer and agree on the costs and services to be reimbursed. In the absence of an agreement, the higher education board and the commissioner of employee relations shall report to the higher education finance divisions of the legislature by July 1, 1994.

Sec. 8. EFFECTIVE DATE.

Sections 2 and 7 are effective the day following final enactment. Sections 1 and 3 to 6 are effective July 1, 1995.

New language is indicated by underline, deletions by ~~strikeout~~.

ARTICLE 5

TRANSITION PROVISIONS

Section 1. Laws 1991, chapter 356, article 9, section 9, is amended to read:

Sec. 9. **TRANSFER OF POWERS PROVISIONS.**

Subdivision 1. TRANSFER OF POWERS; GENERALLY. The state board of technical colleges, the state board for community colleges, and the state university board and their respective chancellors retain responsibility for operating and managing their systems until July 1, 1995. On July 1, 1995, the authority, duties, responsibilities, related property of the state board of technical colleges, school boards, intermediate school boards, and joint vocational technical boards with respect to technical colleges, the state board for community colleges, and the state university board are transferred to the higher education board under Minnesota Statutes, section 15.039.

Effective July 1, 1995, school boards, intermediate school boards, and joint vocational technical boards shall transfer to the higher education board all real property, personal property, and improvements and attachments thereto related to technical colleges as determined by the higher education board, and shall convey all interests in the property. The school boards, intermediate school boards, and joint vocational technical boards shall not receive compensation for the conveyance of the interests. All debt service payments on the transferred property that have a due date on or after July 1, 1995, become the responsibility of the higher education board.

On July 1, 1995, all other obligations incurred on behalf of a technical college by a school board, a joint vocational district under Minnesota Statutes, section 136C.60, or an intermediate school district under Minnesota Statutes, chapter 136D, which will not be satisfied on or before June 30, 1995, transfer to the higher education board subject to limits identified in state law or in plans or policies of the higher education board subject to legislative approval.

The state board of technical colleges, state board for community colleges, and state university board are abolished, effective July 1, 1995.

Subd. 1a. MEMORANDUM OF UNDERSTANDING APPROVED. The memorandum of understanding dated March 29, 1994, and signed by the chancellor of the higher education board, the state negotiator, and the bargaining representatives of state employees concerning employee security during the merger of the state universities, the community colleges, and the state technical colleges is ratified.

Subd. 2. PERSONNEL TRANSFER. The commissioner of employee relations shall allocate positions and incumbent employees who are primarily employed in post-secondary or extension vocational education positions in an intermediate, joint, or school district on June 30, 1995, to appropriate classes in the state classification plan under Minnesota Statutes, section 43A.07, without

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loss of pay, or place the positions and incumbent employees in the unclassified service under Minnesota Statutes, section 43A.08, subdivision 1, clause (9). The commissioner shall also assign positions and incumbent employees to an appropriate state unit under Minnesota Statutes, section 179A.10, subject to challenge or petition of such unit assignment to the bureau of mediation services. Positions transferred with their incumbents do not create vacancies in state service.

Employees serving in unlimited appointments on June 30, 1995, and transferred to unlimited classified positions on July 1, 1995, are transferred to state service without examination.

Employees serving in limited appointments on June 30, 1995, and transferred to limited classified positions or to temporary unclassified positions shall receive emergency, temporary, or temporary unclassified appointments under provisions of Minnesota Statutes, section 43A.15, subdivisions 2 and 3, or 43A.08, subdivision 2a, as appropriate.

Subd. 3. RETURN FROM LEAVE. All employees on an approved leave of absence from a post-secondary education position in an intermediate, joint, or school district on June 30, 1995, retain the reinstatement rights specified under the original terms of the leave.

Subd. 4. REASSIGNMENT; UNEMPLOYMENT COMPENSATION; SEVERANCE PAY. The reassignment of rights under this section is not a leaving of employment for eligibility for unemployment compensation payments under Minnesota Statutes, chapter 268, or early retirement or severance compensation under Minnesota Statutes, section 465.72, or under a policy or contract based on Minnesota Statutes, section 465.72.

Sec. 2. Laws 1991, chapter 356, article 9, section 12, is amended to read:

Sec. 12. EFFECT OF CURRENT COLLECTIVE BARGAINING AGREEMENTS; STATUTORY EMPLOYMENT RIGHTS.

Subdivision 1. GENERALLY. (a) The terms and conditions of a collective bargaining agreement agreements, compensation plans, personnel policies, or other salary and benefit provisions covering an employee employees transferred to the higher education board remains remain in effect until a successor agreement becomes effective. This section paragraph applies to all employees transferred to the board except as modified by paragraph (b) and section 3.

(b) For employees whose employment was covered by Minnesota Statutes, section 125.12, before their transfer to the higher education board, the provisions of Minnesota Statutes, section 125.12, remain in effect until a successor agreement becomes effective according to Minnesota Statutes, chapter 179A. For employees whose employment was covered by Minnesota Statutes, section 125.17, before their transfer to the higher education board, the provisions of Minnesota Statutes, section 125.17, remain in effect until a successor agreement becomes effective according to Minnesota Statutes, chapter 179A.

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Subd. 2. EXCLUSIVE REPRESENTATIVE OF TECHNICAL COLLEGE EMPLOYEES. The exclusive representatives of units of technical college employees transferred to the higher education board certified before the effective date of this section shall remain responsible for administration of their contracts and for all other contractual duties and shall enjoy the right to dues and fair share fee deduction and all other contractual privileges and rights until June 30, 1995. The incoming exclusive representatives of employees transferred to the higher education board and certified after the effective date of this subdivision shall immediately upon certification have the responsibility of bargaining on behalf of employees within the unit. The incoming exclusive representative and the new employer have the responsibility of administering grievances arising under previous contracts covering employees included within the unit which remain unresolved on June 30, 1995. Where the employer does not object, these responsibilities may be varied by agreement between the outgoing and incoming exclusive representatives. All other rights and duties of representation begin on July 1, 1995, except that exclusive representatives certified after the effective date of this subdivision shall immediately upon certification have the right to all employer information and all forms of access to employees within the bargaining unit which would be permitted to the current contract holder, including the rights in Minnesota Statutes, section 179A.07, subdivision 6. This subdivision does not affect any existing collective bargaining contract. Incoming exclusive representatives of employees transferred to the higher education board shall immediately upon certification have the responsibility of bargaining on behalf of all previously unrepresented employees assigned to their units. All other rights and duties of exclusive representatives begin on July 1, 1995.

Sec. 3. Laws 1991, chapter 356, article 9, section 13, is amended to read:

Sec. 13. TRANSITIONAL PERIOD COLLECTIVE BARGAINING.

Subdivision 1. GENERALLY. Contracts for the period commencing July 1, 1995, for employees who are in the technical college, state university, and community college instructional units and the state university administrative unit and who are transferred to the higher education board shall be negotiated with the higher education board under section 43A.06. Negotiations for those contracts can begin anytime after July 1, 1994, and may be initiated by either party notifying the other of the desire to begin the negotiating process. Negotiations shall be subject to this section and Minnesota Statutes, chapter 179A.

Subd. 2. DATE OF EMPLOYMENT. The date of first employment by the higher education board is the date on which services were first performed by the employee for the employer from which the employee is being transferred. For employees whose transfer is from a joint technical college district under Minnesota Statutes, sections 136C.60 to 136C.69, the date on which services were first performed by the employee is the date on which services were first performed by the employee in the member school district from which the employee was assigned to the joint technical college district.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 3. BENEFITS. All accumulations of leaves, years of service, and benefits must be credited to each employee subject to terms negotiated in the successor contract. Effective July 1, 1995, all transferred employees will be enrolled in the state employees group insurance program as provided in Minnesota Statutes, sections 43A.22 to 43A.31. The commissioner of employee relations shall provide, to transferred employees, open enrollment in all state employee health and dental insurance plans with no limitation on preexisting conditions except as specified in existing state employee certificates of coverage. The commissioner of employee relations shall provide, to transferred employees, the opportunity to purchase optional life and disability insurance in amounts equivalent to amounts previously purchased by a transferred employee or provided by the employer without limitation on preexisting conditions.

Subd. 4. PROBATIONARY PERIODS. Except as otherwise provided in a successor contract, probationary periods are not affected by the transfer of employees to the higher education board.

Subd. 5. RECALL. (a) Recall rights described in this subdivision apply until a successor agreement becomes effective.

(b) Members of the technical college instructional bargaining unit who are placed on unrequested leave of absence before July 1, 1995, are transferred to and become employees of the higher education board on July 1, 1995, and have recall rights to the technical college instructional unit for five years from the date originally placed on unrequested leave. For five years after the close of the school year in which the employees were placed on unrequested leave of absence they retain recall rights to vacancies for which they are licensed in the intermediate or school district that placed them on unrequested leave of absence.

(c) Members of the technical college instructional bargaining unit who are laid off by the higher education board after June 30, 1995, have recall rights to the technical college instructional unit for five years, unless modified by a successor contract. They shall also have recall rights for two years to vacancies for which they are licensed in the intermediate or school district from which they were transferred to the higher education board, but only if a transfer or assignment from a technical college position to an elementary or secondary position would have been authorized in that intermediate or school district under the contract in effect immediately before the instructor's transfer to the higher education board.

(d) Nonlicensed technical college employees of an intermediate, joint, or school district who are placed on an involuntary layoff before July 1, 1995, are transferred to and become employees of the state on July 1, 1995. Until June 30, 1997, they may exercise job seniority, promotion, layoff, and lateral transfer rights that were established by contract between an exclusive representative and the district and were in effect on June 30, 1995.

(e) For two years, unless modified by a successor contract, nonlicensed employees who are laid off by the state after June 30, 1995, may exercise job seniority, promotion, layoff, and lateral transfer rights that were established by

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contract between an exclusive representative and the district and were in effect on June 30, 1995.

Sec. 4. **EFFECTIVE DATE.**

Sections 1 to 3 are effective the day after final enactment.

ARTICLE 6

REVENUE BONDING AUTHORITY

Section 1. Minnesota Statutes 1992, section 136.31, is amended to read:

136.31 ~~STATE UNIVERSITY HIGHER EDUCATION BOARD,~~ DUTIES.

Subdivision 1. **DUTIES.** ~~All references in sections 136.31 to 136.38 to the state university board shall be deemed and construed to include any successor thereof created or established by law. For the state universities, the state university higher education board is hereby authorized to do the following may:~~

(a) (1) ~~acquire by purchase or otherwise, construct, complete, remodel, equip, operate, control, and manage residence halls, dormitories, dining halls, student union buildings, parking facilities, and any other similar revenue-producing buildings of such type and character as said the board shall from time to time find finds necessary for the good and benefit of any of the state universities under the jurisdiction of said board, and for that purpose may acquire property of any and every kind and description, whether real, personal, or mixed, by gift, purchase, or otherwise; provided that no contract for the construction of any building shall be entered into until financing therefor has been approved by the legislature;~~

(b) (2) ~~maintain and operate any such buildings or structures and charge for the their use thereof, and carry on such conduct any activities; as that are commonly conducted in connection with any such the buildings or structures;~~

(c) (3) ~~enter into contracts touching in any manner or any matter within the objects and for the purposes of sections 136.31 136E.80 to 136.38 136E.88;~~

(d) (4) ~~acquire building sites and buildings or structures by gift, purchase, or otherwise and pledge the revenues thereof from them for the payment of any bonds issued for such that purpose as provided in sections 136.31 136E.80 to 136.38 136E.88;~~

(e) (5) ~~borrow money and issue and sell bonds in such an amount or amounts as the legislature shall authorize authorizes for the purpose of acquiring, constructing, completing, remodeling, or equipping any such buildings or structures, and acquiring sites therefor, and refund and refinance the same from~~

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~~time to time~~ the bonds by the issuance and sale of refunding bonds ~~as often as it shall in when~~ the board's judgment be advantageous to board finds that it is in the public interest so to do. All ~~such~~ The bonds shall be sold and issued by ~~said~~ the board in the manner and upon the terms and conditions provided by chapter 475, except as otherwise provided in this section. ~~Such~~ The bonds ~~shall be~~ are payable ~~solely~~ only from and secured by an irrevocable pledge of the revenues to be derived from the operation of any ~~such~~ buildings or structures acquired, constructed, completed, remodeled, or equipped in whole or in part with the proceeds of ~~such~~ the bonds and ~~in addition thereto~~ from ~~such~~ other income and revenues described in section ~~136.33~~ 136E.82, clause ~~(a)~~ (1), as ~~said~~ the board by resolution ~~shall specify~~ specifies, and notwithstanding this limitation all bonds issued ~~hereunder~~ under sections 136E.80 to 136E.88 shall have the qualities of negotiable instruments under the laws of this state. The legislature ~~intends~~ shall not to appropriate money from the general fund to pay for these bonds.

Subd. 2. **FORM.** ~~Such~~ The bonds may:

- (1) bear ~~such~~ the date or dates ~~and may~~;
- (2) mature serially at ~~such~~ a time or times not exceeding 40 years from their date or dates; ~~may~~;
- (3) be in ~~such~~ the form;
- (4) carry ~~such~~ the registration privileges; ~~may~~;
- (5) be payable at ~~such~~ a place or places; ~~may~~;
- (6) be subject to ~~such~~ terms of redemption prior to maturity with or without premium; ~~may~~;
- (7) be delivered to the purchasers at ~~such~~ times and places; ~~and may~~;
- (8) contain ~~such~~ terms and covenants, ~~not inconsistent~~ consistent with sections ~~136.41 and 136.42~~ section 136E.88, all as may be provided by resolution of ~~said~~ the board authorizing the issuance of ~~such~~ the bonds.

Subd. 3. **EXECUTION.** The bonds must be executed by the officers of the board designated by the board to execute them ~~and countersigned by the treasurer elected by the board,~~ in the manner authorized by section 475.55.

Subd. 4. **BOND STATEMENT; REGISTRATION.** Each ~~such~~ bond shall state upon its face that it is payable solely from and secured by an irrevocable pledge of the revenues derived from the operation of any ~~such~~ buildings or structures acquired, constructed, completed, remodeled, or equipped in whole or in part with the proceeds of the sale of ~~said~~ the bonds and from ~~such~~ other income and revenues described in section ~~136.33~~ 136E.82, clause ~~(a)~~ (1), as specified in the resolution providing for its issue, and that it does not constitute a debt or obligation of the state of Minnesota within the meaning or application of any constitutional or statutory limitation or provision. ~~Such bonds will be~~

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registered by A copy of the proceedings taken by the board in the issuance of the bonds shall be filed with the commissioner of finance in a bond register to be kept for that purpose wherein shall be entered the amount and purpose of issue, the maturity and rate of interest, and the name of the original purchaser.

Subd. 5. **BOND SECURITIES.** If the board by resolution determines that its treasurer possesses money not currently needed, or that is set aside in a reserve, the board in the resolution may direct the treasurer to invest a specified amount of the money in securities of the types described in section 475.66. The securities must be deposited with and held for the board by the treasurer. If the invested money is needed by the board it shall direct the treasurer to sell all or a designated amount of the securities. Money collected from the investment by the treasurer, as principal, interest, or proceeds of sales, must be credited to and made a part of the fund and account for which the investment is made.

Subd. -6: In any case where the board determines to issue and sell refunding revenue bonds six months or more before the earliest date on which all bonds of the series to be refunded thereby will have matured or will have been redeemed upon call as hereinafter provided, the proceeds of the refunding revenue bonds shall be deposited, together with any revenues available and designated by the board for the purpose, in escrow with a suitable banking institution within or without the state, whose deposits are insured by the Federal Deposit Insurance Corporation and whose combined capital and surplus is not less than one million dollars, and shall be invested, simultaneously with the delivery of the bonds, in securities maturing or callable at the option of the holder on such dates and bearing interest at such rates as shall be required to provide funds sufficient, with any cash retained in the escrow account, to pay when due the interest to accrue on each bond of the series refunded to its maturity or, if prepayable, to an earlier designated date on which it may be called for redemption, and to pay the principal amount of each such bond at maturity or, if prepayable, at its designated earlier redemption date, and to pay any premium required for redemption on such date, and before the refunding revenue bonds are delivered, the board shall by resolution irrevocably appropriate for these purposes, and for the payment of the reasonable charges of banks designated as escrow and paying agents, the escrow account and all payments of principal and interest on the securities held therein, and shall provide for the call of all prepayable bonds of such series, in accordance with their terms, on the redemption date or dates designated. The board may place in escrow pursuant to this subdivision any funds previously pledged and appropriated for the payment of principal and interest on bonds to be refunded, and it may, when deemed necessary in the public interest, issue refunding revenue bonds in the amount necessary to place in escrow the funds required to pay any premium for redemption of refunded bonds before their stated maturities. Investments of the escrow account shall be limited to general obligations of the United States, securities whose principal and interest payments are guaranteed by the United States, and securities issued by the following agencies of the United States: Banks for Cooperatives, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, and the Federal National Mortgage Association. No refunding reve-

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new bonds shall be issued more than ten years before the last date on which all revenue bonds of the series to be refunded thereby will mature or are directed to be prepaid in accordance with their terms.

Subd. 7. **PAYMENT OF INTEREST; OUTSTANDING REVENUE BONDS.** Except as provided in this subdivision, the board may irrevocably appropriate and use any money, other than direct state appropriations and tuition receipts appropriated by section 136.11, subdivision 1, held by it to discharge or otherwise provide for the payment of the interest coming due on its revenue bonds outstanding on July 1, 1988, until paid and for the payment of the principal and any premium coming due on the bonds at maturity or upon any earlier date upon which the bonds are called for redemption. For this purpose, the board may exercise all powers conferred upon it under ~~subdivision 6~~ with respect to escrow agents and escrow accounts, and ~~may provide for the funding of the escrow accounts with securities of the type referred to in subdivision 6 and certificates of deposit, time deposits, and investment agreements issued by the escrow agent or any other financial institution section 475.67, subdivisions 5 to 10.~~ This subdivision does not authorize the appropriation or use of board money to secure outstanding revenue bonds contrary to a board resolution authorizing the issuance and providing for the security of the bonds, or the use of other board money contrary to the terms of a contract, specific legislative appropriation, or law.

Sec. 2. Minnesota Statutes 1992, section 136.32, is amended to read:

136.32 BONDS, INVESTMENTS.

The state, including the state board of investment, and all counties, cities, ~~incorporated~~ towns and other municipal corporations, political subdivisions and political bodies, and public officers of any ~~thereof~~ of the public entities listed in this section, all banks, bankers, trust companies, savings banks, and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds issued pursuant to sections ~~136.31~~ 136E.80 to 136E.88, it being 136E.88. The purpose of this section is to authorize the investment in ~~such~~ bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; ~~provided, however, that~~. Nothing ~~contained~~ in this section may be construed as relieving any person, firm or corporation from any duty of exercising due care in selecting securities for purchase or investment. ~~Such~~ The bonds are ~~hereby~~ constituted "authorized securities" within the meaning and for the purposes of section 50.14, notwithstanding the restrictions in ~~part (e) of subdivision 4 thereof~~ section 50.14, subdivision 4, clause (c).

Sec. 3. Minnesota Statutes 1992, section 136.33, is amended to read:

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136.33 RESOLUTION OF BOARD.

Upon the determination by ~~said university~~ the higher education board or its successor to acquire, construct, complete, remodel, or equip any student residence halls, dormitories, dining halls, student union buildings, parking facilities, or other similar revenue-producing building or buildings, ~~said the~~ board or its successor shall adopt a resolution describing generally the contemplated project, the estimated cost thereof, including legal, engineering and financial expenses and interest on the bonds during the period of constructing the project and for six months thereafter, fixing the amount of the bonds, the maturity or maturities, the interest rate, and all details in respect thereof of the bonds. ~~Such~~ The resolution shall contain ~~such~~ covenants as may be determined by ~~said the~~ board or its successor as to:

(~~a~~) (1) the pledging of all or any portion of the proceeds of any fees imposed upon students for student activities, student facilities, or for other purposes, and the net revenues from other buildings or facilities heretofore or hereafter constructed or acquired at any state university under the jurisdiction of said board as additional security for the payment of ~~said the~~ bonds;

(~~b~~) (2) the regulation as to the use of ~~such the~~ buildings or structures to assure ~~the~~ maximum use or occupancy thereof;

(~~c~~) (3) the amount and kind of insurance to be carried, including use and occupancy insurance, the cost of which shall be payable only from the revenues to be derived from ~~such the~~ buildings or structures;

(~~d~~) (4) the operation, maintenance, management, accounting and auditing, and the keeping of records, reports and audits of ~~such the~~ buildings or structures;

(~~e~~) (5) the obligation of ~~said the~~ board or its successor to maintain ~~such the~~ buildings or structures in good condition and to operate ~~the same them~~ in an economical and efficient manner;

(~~f~~) (6) the amendment or modification of the resolution authorizing the issuance of any bonds ~~hereunder~~, and the manner, terms and conditions, and the amount or percentage of assenting bonds necessary to effectuate ~~such the~~ amendment or modification; and

(~~g~~) ~~such~~ (7) other covenants as may be deemed necessary or desirable to assure the prompt and punctual payment of all bonds issued under sections ~~136.34~~ 136E.80 to ~~136.38~~ 136E.88.

Sec. 4. Minnesota Statutes 1992, section 136.34, is amended to read:

136.34 STUDENT ACTIVITIES, FEES CHARGED.

Whenever bonds are issued as provided in sections ~~136.34~~ 136E.80 to ~~136.38~~ 136E.88, it shall be the duty of ~~said the~~ the higher education board to estab-

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lish charges or fees, including without limitation fees for student activities and fees for student facilities, for the use of any buildings or structures sufficient at all times to pay the principal of and interest on ~~such the~~ bonds and to create and maintain suitable reserves ~~therefor for them~~ and the necessary expenses of ~~the their~~ operation and maintenance ~~thereof; and~~. All revenues derived from ~~the their~~ operation ~~thereof~~ shall be set aside in a separate fund and accounts ~~as hereinafter provided~~ and shall be irrevocably pledged for and used only in ~~paying to~~ pay the principal of and interest upon the bonds issued for the purpose or purposes set forth and described in the resolution authorizing the issuance of ~~said the~~ bonds, and the necessary expenses of the operation and maintenance ~~thereof of the buildings and structures~~; and ~~such the~~ charges and fees shall be sufficient at all times for ~~such these~~ purposes.

Sec. 5. Minnesota Statutes 1992, section 136.35, is amended to read:

136.35 SPECIAL REVENUE FUND.

(a) The gross total income derived from the sale of bonds, and receipts and income derived from charges or fees, rentals, and all other revenue established for the use and service of any ~~such~~ buildings or structures shall, within three days after ~~their~~ receipt ~~thereof~~, be paid to and held by the treasurer of the ~~higher education~~ board as a special fund known as, "The ~~University Higher Education~~ Board of the State of Minnesota ~~Universities~~ Revenue Fund²." The treasurer shall be custodian of ~~such the~~ special fund, which fund shall be held and disbursed for the purposes provided in sections ~~136.34 136E.80~~ to ~~136.38 136E.88~~. The ~~said~~ special fund shall be protected by a corporate surety bond executed by the treasurer of the board with a surety authorized to do business under the laws of the state of Minnesota. The amount of ~~such the~~ bond shall be fixed by resolution of ~~said university the~~ board or its successor and may be increased or diminished at any time. The premiums of ~~such the~~ bonds shall be payable from "The ~~University Higher Education~~ Board of the State of Minnesota ~~Universities~~ Revenue Fund" and charged as an item of maintenance expense.

(b) A certified copy of each resolution providing for the issuance of bonds under sections ~~136.34 136E.80~~ to ~~136.38 136E.88~~ shall be filed with the treasurer of the board, and it shall be the duty of ~~said the~~ treasurer to keep and maintain separate accounts in ~~said the~~ special fund for each bond issue in accordance with the covenants and the directions set out in the resolution providing for the issuance of ~~said the~~ bonds and to disburse funds from the proper account for the payment of the principal of and interest on the bonds in accordance with the directions and covenants of ~~said the~~ resolution authorizing the issue ~~thereof~~. All disbursements for maintenance and operation costs shall be made from the proper maintenance and operation account ~~upon by order of said the~~ board or its successor in accordance with the covenants set out in the resolution authorizing the issuance of bonds. All disbursements for construction costs shall be made from a separate account in ~~said the~~ special fund ~~upon by order of said the~~ board or its successor in accordance with the covenants set out in the resolution authorizing ~~said the~~ bonds.

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Sec. 6. Minnesota Statutes 1992, section 136.36, is amended to read:

136.36 ALLOCATION OF RECEIPTS.

All moneys ~~now or hereafter~~ in the University Higher Education Board of The State of Minnesota Universities Revenue Fund and all income from the operation of ~~such dormitories, cafeterias and student facilities~~ residence halls, dormitories, dining halls, student union buildings, parking facilities and other revenue producing buildings and structures are hereby appropriated first to the payment of expenses of the operation of ~~dormitories, cafeterias and other student~~ the facilities from which the revenues so appropriated are derived and second to the payment of the obligations ~~herein~~ authorized by sections 136E.80 to 136E.88.

Sec. 7. Minnesota Statutes 1992, section 136.37, is amended to read:

136.37 ADMINISTRATION.

The administration of sections ~~136.31 136E.80 to 136.38 136E.88~~ shall be under the state university higher education board independent of other authority and notwithstanding chapters 16A and 16B.

Sec. 8. Minnesota Statutes 1992, section 136.38, is amended to read:

136.38 CONTRACTS OF BOARD, PERFORMANCE COMPELLED.

(a) The provisions of sections ~~136.31 136E.80 to 136.38 136E.88~~ and of any resolution or other proceedings authorizing the issuance of bonds shall constitute a contract with the holders of ~~such~~ the bonds and the provisions thereof shall be enforceable either in law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction to enforce or compel the performance of any duties required by sections ~~136.31 136E.80 to 136.38 136E.88~~ and any resolution authorizing the issuance of bonds ~~adopted responsive hereto~~, including the establishment of sufficient charges or fees for use of any ~~such~~ buildings or structures and the application of the income and revenue ~~thereof from them~~; and it shall be the duty of ~~said university~~ the higher education board or its successor upon the issuance of any bonds under the provisions of sections ~~136.31 136E.80 to 136.38 136E.88~~ to establish by resolution from time to time the fees or charges to be made for the use of any ~~such~~ buildings or structures, which fees or charges shall be adjusted from time to time in order to always provide sufficient income for payment of the principal of and interest on ~~such~~ the bonds issued as provided for in sections ~~136.31 136E.80 to 136.38 136E.88~~, and for the necessary expenses of operation and maintenance.

(b) If the ~~existing~~ university higher education board of the state of Minnesota is abolished, all contracts made by ~~said~~ the board and all things done or actions taken by ~~said~~ the board under sections ~~136.31 136E.80 to 136.38 136E.88~~ shall be deemed to be contracts of, actions taken and things done by its successor and ~~such~~ the successor shall be bound by all ~~such~~ contracts, actions

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taken and things done by ~~said the~~ board and ~~such successor shall be~~ subject to all the obligations and duties of ~~said the~~ board under sections ~~136.31~~ 136E.80 to ~~136.38~~ 136E.88.

Sec. 9. Minnesota Statutes 1993 Supplement, section 136.41, subdivision 8, is amended to read:

Subd. 8. **ISSUANCE OF BONDS.** The ~~state university~~ higher education board or a successor may issue additional revenue bonds under sections 136.31 to 136.38 in an aggregate principal amount not exceeding \$40,000,000, subject to the resolutions authorizing its outstanding revenue bonds, and payable from the revenue appropriated to the fund established by section 136.35, and use the proceeds together with other public or private money that may otherwise become available to acquire land, and to acquire, construct, complete, remodel, and equip structures to be used for dormitory, residence hall, student union, food service, and related parking purposes at the state universities. Before issuing the bonds or any part of them, the board shall consult with and obtain the advisory recommendations of the chairs of the house ways and means committee and the senate finance committee about the facilities to be financed by the bonds.

Sec. 10. Minnesota Statutes 1992, section 136.41, is amended by adding a subdivision to read:

Subd. 10. SUCCESSOR. For the purposes of this section, the higher education board is the successor to the state university board.

Sec. 11. **REPEALER.**

Minnesota Statutes 1992, sections 136.31, subdivision 6; 136.40; 136.41, subdivisions 1, 2, 3, 4, 5, 6, and 7; and 136.42, are repealed.

Sec. 12. **REVISOR INSTRUCTION.**

(a) In the 1996 edition of Minnesota Statutes, the revisor shall renumber sections 136.31 as 136E.80; 136.31, subdivision 7, as 136E.80, subdivision 6; 136.32 as 136E.81; 136.33 as 136E.82; 136.34 as 136E.83; 136.35 as 136E.84; 136.36 as 136E.85; 136.37 as 136E.86; 136.38 as 136E.87; 136.41, subdivision 8, as 136E.88, subdivision 1; 136.41, subdivision 9, as 136E.88, subdivision 2; 136.41, subdivision 10, as 136E.88, subdivision 3.

(b) The revisor shall add "Federal Tax on Interest" as a headnote to section 136.41, subdivision 9.

Sec. 13. **EFFECTIVE DATE.**

Sections 1 to 12 are effective July 1, 1995.

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ARTICLE 7

ADMINISTRATION AND FINANCE

Section 1. Minnesota Statutes 1992, section 136C.06, is amended to read:

136C.06 SOLE STATE AGENCY.

The ~~state board of technical colleges~~ higher education board is the sole state agency to receive and disburse federal funds authorized by the Vocational Education Act of 1963, as amended in the education amendments of 1976, Public Law Number 94-482, and Code of Federal Regulations, title 34, part 400. The ~~state board~~ shall develop and submit the state plan for vocational technical education. The ~~state board~~ shall develop the state plan according to terms of agreement with the state board of education.

Sec. 2. Minnesota Statutes 1992, section 136E.01, subdivision 1, is amended to read:

Subdivision 1. **MEMBERSHIP.** The higher education board, referred to in sections 136E.01 to 136E.05 as "the board," consists of ~~13~~ 15 members appointed by the governor with the advice and consent of the senate. At least one member of the board must be a resident of each congressional district. ~~One member~~ Three members must be a ~~student~~ students who are enrolled at least half-time in a degree, diploma, or certificate program or have graduated from an institution governed by the board within one year of the date of appointment. The student members shall include: one member from a community college, one member from a state university, and one member from a technical college. The remaining members must be appointed to represent the state at large.

Sec. 3. Minnesota Statutes 1992, section 136E.01, subdivision 2, is amended to read:

Subd. 2. **TERM; COMPENSATION; REMOVAL; VACANCIES.** The compensation, removal of members, and filling of vacancies on the board are as provided in section 15.0575. Members are appointed for a term of six years, except that the term of each of the student member members is two years. Terms end on June 30.

Sec. 4. Minnesota Statutes 1992, section 136E.02, subdivision 1, is amended to read:

Subdivision 1. **PURPOSE.** A higher education board candidate advisory council shall assist the governor in determining criteria for, and identifying and recruiting qualified candidates for, nonstudent membership on the higher education board.

Sec. 5. [136E.021] STUDENT BOARD MEMBER SELECTION.

Subdivision 1. RESPONSIBILITY. Notwithstanding section 136E.02, the

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statewide community college student association, state university student association, and technical college student association shall each have the responsibility for recruiting, screening, and recommending qualified candidates for its student member of the board.

Subd. 2. CRITERIA. After consulting with the higher education board candidate advisory council, the student associations shall jointly develop a statement of the selection criteria to be applied to potential candidates.

Subd. 3. RECRUITING AND SCREENING. Each student association shall develop processes for identifying and recruiting qualified candidates and for screening those candidates.

Subd. 4. RECOMMENDATIONS. Each student association shall recommend at least two and not more than four candidates for its student member. By January 2 of the year in which its members' term expires, each student association shall submit its recommendations to the governor. The governor is not bound by these recommendations.

Sec. 6. Minnesota Statutes 1993 Supplement, section 136E.03, is amended to read:

136E.03 ~~MISSION~~ MISSIONS.

The mission of the board is to provide programs of study that meet the needs of students for occupational, general, baccalaureate, and graduate education. The state universities, community colleges, and technical colleges shall have distinct missions as provided in section 135A.052, subdivision 1. Within that statutory definition and subject to the approval of the board, each community college, state university, and technical college may develop its own distinct campus mission. The board shall develop administrative arrangements that make possible the efficient use of the facilities and staff of the technical colleges, community colleges, and state universities for providing these several different programs of study, so that students may have the benefit of improved and broader course offerings, ease of transfer among schools and programs, integrated course credit, coordinated degree programs, and coordinated financial aid. In carrying out the merger of the three separate systems, the board shall control administrative costs by eliminating duplicative administrative positions and course offerings.

Sec. 7. [136E.525] STUDENT ASSOCIATIONS.

Subdivision 1. STATEWIDE. The board shall recognize one statewide student association for the community colleges, one for the state universities, and one for the technical colleges. Each statewide student association shall be affiliated with its campus student associations but all students enrolled on those campuses shall be members of their respective statewide association.

Subd. 2. FEES. Each statewide association shall set its fees to be collected by the board and shall submit any changes in its fees to the board for review. The board may revise or reject the fee change. Fees must be collected by each community college, state university, and technical college and shall be credited to each association's account to be spent as determined by that association.

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Subd. 3. CONSOLIDATION. No changes may be made to student associations located on community college, state university, technical college, or consolidated colocated campuses without the approval of each affected campus association in consultation with its state student association.

Sec. 8. [136E.692] CONSTRUCTION, IMPROVEMENT, AND REPAIR OF FACILITIES.

Subdivision 1. CONSTRUCTION; IMPROVEMENTS. The higher education board shall supervise and control the preparation of plans and specifications for the construction, alteration, or enlargement of community college, state university, and technical college buildings, structures, and improvements for which appropriations are made to the board. The board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

Subd. 2. PLANS. Plans and specifications must be accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided by law.

Subd. 3. DISPUTE RESOLUTION. In contracting for projects, the higher education board must not restrict its access to litigation or limit its methods of redress to arbitration or other nonjudicial procedures.

Subd. 4. REPAIRS. The higher education board shall supervise and control the making of necessary repairs to all community college, state university, and technical college buildings and structures.

Sec. 9. Laws 1991, chapter 356, article 9, section 8, subdivision 1, is amended to read:

Subdivision 1. APPOINTMENTS TO BOARD. Appointments to the higher education board must be made by July 1, 1991. Notwithstanding section 2, the initial higher education board consists of two members each from the state board of technical colleges, state board for community colleges, and the state university board, appointed by their respective boards and six members appointed by the governor. The governor's appointees may also be members of the current governing boards. The members appointed by boards must have been confirmed by the senate to the board from which they are appointed and served for at least one year on the board from which they were appointed. Initial higher education board members appointed by boards are not subject to further senate confirmation. Initial appointees of the governor are not subject to section 3. The governor shall appoint the student ~~member~~ members July 1, 1995. Notwithstanding section 2, subdivision 2, the initial members of the higher educa-

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tion board must be appointed so that an equal number will have terms expiring in three, five, and seven years. To the extent possible, the initial board must have the geographic balance required by section 2.

Sec. 10. **INITIAL TERMS.**

Notwithstanding Minnesota Statutes, section 136E.01, the terms of the initial permanent student members of the board shall be as follows: the technical college student shall serve one year, the community college student shall serve one year, and the state university student shall serve two years.

Sec. 11. **REVISOR INSTRUCTION.**

In the 1996 edition of Minnesota Statutes, the revisor shall renumber section 136C.06 as 136E.60.

Sec. 12. **EFFECTIVE DATE.**

Sections 1 to 3, 7, 8, 10 and 11 are effective July 1, 1995.

Presented to the governor May 2, 1994

Signed by the governor May 5, 1994, 5:52 p.m.

CHAPTER 533—H.F.No. 3136

An act relating to attorneys-at-law; prohibiting fees for public bond counsel from being based primarily on the amount of bonds sold; proposing coding for new law in Minnesota Statutes, chapter 481.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[481.21] BOND COUNSEL FEES.**

An attorney-at-law performing services as bond counsel for the state, a state agency, or a political subdivision of the state shall be paid a fair and reasonable attorney's fee, based on the following factors:

- (1) the time and labor required;
- (2) the experience and knowledge of the attorney;
- (3) the complexity and novelty of problems involved;
- (4) the extent of the responsibilities assumed and the results obtained; and
- (5) the sufficiency of assets properly available to pay for the services.

The fee must not be based primarily on a percentage of the amount of the bonds or obligations sold.

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